DOCUMENT RESUME

ED 428 192 CE 078 225

TITLE	Strategic HRD.
PUB DATE	1997-03-00
NOTE	30p.; In: Academy of Human Resource Development (AHRD) Conference Proceedings (Atlanta, Georgia, March 6-9, 1997); see CE 078 221.
PUB TYPE	Reports - Research (143) -- Speeches/Meeting Papers (150)
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Administrator Attitudes; Adult Education; *Adult Learning; Case Studies; Comparative Analysis; Corporations; Decision Making; Education Work Relationship; Human Resources; *Job Training; *Labor Force Development; Models; *Organizational Development; *Strategic Planning; Teacher Attitudes; Trainers; Training Methods; Transfer of Training

ABSTRACT

This document contains four papers from a symposium on strategic human resource development (HRD). "Examination of the Use of Scenarios as Learning and Decision-Making Tools for Human Resource Development" (Roger F. Miller, Susan A. Lynham, Joanne Provo, Jeanne M. St. Claire) explores the potential value of scenarios as learning and decision-making tools in HRD by analyzing data from four sources: the literature and discussions with expert practitioners, participants in scenario-planning workshops, and HRD scholars. The findings of a study of the relationship between "presence of practices to support transfer of training" and the "perception of trainees and managers of the alignment of training with their organization's strategic direction" are presented in "The Alignment of Corporate Strategy and Training: A Survey of Trainees and Managers" (Max U. Montesino). "Strategic Human Resource Development: A Conceptual Evaluation" (Monica M. Lee) explores and contextualizes four models of strategic HRD: the classical, scientific, procedural, and phenomenological models. "The Integration of Human Resource Development into the Strategic Planning Process: A Comparative Case Study of Three Corporations" (Clyde T. Conine, Jr.) reports on a study that identified four HRD roles that can be represented on a continuum reaching from low integration to high integration. (MN)

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ED 428 192

AHRD

ACADEMY OF HUMAN RESOURCE DEVELOPMENT

1997 Conference Proceedings

March 6-9, 1997
Atlanta, GA

3 Strategic HRD

Chair: Darlene Russ-Eft, Zenger-Miller, AHRD Global 100 Member

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Roger F. Miller, University of Minnesota
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The Alignment of Corporate Strategy and Training: A Survey of Trainees and Managers
Max U. Montesino, Indiana University-Purdue University

Strategic Human Resource Development: A Conceptual Exploration
Monica M. Lee, Lancaster University

The Integration of Human Resource Development Into the Strategic Planning Process: A Comparative Case Study of Three Corporations
Clyde T. Conine, Jr., Macon College

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Examination of the Use of Scenarios as Learning and Decision-Making Tools for Human Resource Development

Roger F. Miller
University of Minnesota

Susan A. Lynham
University of Minnesota

Joanne Provo
University of Minnesota

Jeanne M. St. Claire
University of Minnesota

This paper examines the theory and practice of scenario planning and suggests its potential value as a learning and decision making tool with application within the field of HRD.

Recognizing and managing the complexities of strategic change are difficult challenges for organizational decision makers. Human resource development (HRD) researchers and professionals are increasingly being called upon to participate in supporting and shaping organizational strategy (Torraco & Swanson, 1995). Scenario planning is a tool for systematically examining forces driving organizational change and for testing the assumptions, mental models, and choices of decision makers (Schwartz, 1991). The process of building scenarios usually begins with defining an area of strategic interest, then developing a set of plausible stories which identify major forces driving change, their interrelationships, and critical uncertainties (Wack, 1985a). These stories, or scenarios, are then used by decision makers to rehearse and improve their strategic thinking. Although scenario planning is a well-established strategic management tool closely associated with managing organizational change (de Geus, 1988; Drucker, 1986; Georgantzas & Acar, 1995; van der Heijden, 1996; Wack, 1985a; Wack, 1985b), it has received only limited attention within the HRD literature.

Research Question

What is scenario planning, and what is its value as a learning and decision-making tool for human resource development?

Methodology

This study consisted of the collection, analysis, and synthesis of information from four sources: 1) a search of the literature on scenario planning research and practice, 2) discussions of scenario planning with expert practitioners, 3) participation in scenario planning workshops and related presentations, and 4) discussions of scenario planning with HRD scholars.

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Description of Scenario Planning

This section of the report organizes the results of our research on the nature of scenario planning around six questions: (a) What is scenario planning? (b) How are scenarios developed? (c) What is the history of scenario planning? (d) What is the value of scenario planning as a learning tool? (e) What is the value of scenario planning as a decision-making tool? and (f) In what areas of professional activity has scenario planning been applied?.

What is Scenario Planning? As more organizations face continuous change as the order of the day, organizational professionals have developed expertise and tools to operate successfully in such an environment. The traditional tools of strategic planning, which are commonly extrapolations of the past to determine the future, are not effective when future forces do not mirror past forces (Mintzberg, 1994). In an environment of constant change and challenge, what Vaill (1989) refers to as permanent whitewater, non-traditional tools for planning for and responding to change are needed. Scenario planning has been developed as such a tool.

A *scenario*--literally the script for a play--is "a tool for ordering one's perceptions about alternative future environments in which decisions might be played out" (Schwartz, 1991, p. 4). The process of scenario planning generally involves development of three or four plots and associated narratives illustrating major forces driving change within a system, the interrelationships of these driving forces, and critical uncertainties in the environment (Wack, 1985a). Scenarios are designed to help decision makers structure and think about uncertainty, test their assumptions about how critical driving forces will interact, and reorganize their mental model of reality (Wack, 1985b).

Processes of scenario development and presentation are often described in both the practitioner and research literatures in qualitative terms. For example, Schwartz (1991) describes the process as an art rather than a science. Qualitative descriptions of the process of scenario planning contain several common themes. The first is the role of scenarios play in helping to prepare people and organizations for change. The uncertainty of change can produce strong anxiety, resulting in denial and a decline in the quality of decision making. Scenarios provide safe and often engaging opportunities to explore the implications of uncertainty and to rehearse effective ways of responding to it. Scenarios thus enable individuals and organizations to act in confidence, with greater knowledge of uncertainty (Schwartz, 1991; van der Heijden, 1995)..

A second theme is the ability of scenarios to help people cope with the complexity of change through the use of plots and story lines. By organizing complex information on future trends and possibilities into a series of plausible stories, scenarios are seen as interpretive tools which create meaning and thereby guide action. Scenarios are often adopted by organization members as a common language and conceptual framework for discussion strategy and change. Van der Heijden (1996) characterizes this as both an individual and an organizational learning process.

A third qualitative theme found in descriptions of scenario planning involves the use of multiple plausible scenarios to help decision makers think more broadly and flexibly about change, adopting multiple perspectives as they seek to understand future events.

According to Wack (1985a), scenarios offer two main benefits to organizations: entrepreneurial, i.e., discovering strategic options which were not previously considered (for example, see Kahane (1992)), and protective, i.e., anticipating and understanding sources of risk and uncertainty within systems (for example, Clemons, 1995).

How are Scenarios Developed? Preparation of a set of scenarios involves first analysis, and then synthesis of information. In the analysis phase, the underlying structure and dynamics of forces driving change are identified. Typically, a distinction is made between two types of driving forces: (a) those which are predetermined, and (b) those which are uncertain. Predetermined forces can be identified through research and can be reasonably predicted. For example, demographic information can be used to estimate the characteristics of markets and populations at future points in time. Predetermined forces are used to establish the limits or boundaries of possible future conditions considered within a set of scenarios.

Uncertainties are future conditions which cannot be predicted, but which can be analyzed to identify important dimensions along which these uncertainties will be vary. These dimensions are then used in understanding the dynamics of possible future changes, and in designing alternative plots for a set of scenarios describing these possible futures. For example, Kleiner (1994) describes the development of a set of scenarios concerning the future of global information networks. The characteristics of such future networks could not be directly predicted. However, research indicated that the availability of capital for creating such networks would be a key factor in determining how they developed. This led to the design of two alternate scenarios. The first assumed that investment capital would be scarce, and therefore only large resource-rich organizations would be able invest in and use such networks. The second scenario assumed that capital would be more freely available from a variety of sources, and that such networks would proliferate widely and independently of formal organizations. In this way, although the future of such information networks could not be predicted, two contrasting possible future states were identified and incorporated into a pair of scenarios.

Information compiled during the analysis phase of scenario planning is then synthesized into a range of plot lines, and then detailed narratives describing possible alternative organizational futures are written for each scenario. Meetings are held with organizational decision makers, during which they discuss and respond to each of the hypothetical, but possible, futures described in the set of scenarios. The discussion is characterized as (a) testing decision makers' conceptual models of the organization and its environment, (b) developing shared understandings within the group of how the organization's environment may change, and (c) identifying the implications of this range of possible changes.

Descriptions of the scenario development process differ in the steps they list. Schwartz (1991) describes eight steps. Schoemaker (1995) includes ten. One group of expert practitioners (The Centre for Innovative Leadership, 1995) identifies the following six elements. This list provides a good overview of the scope of the process. Other descriptions divide the process into more detailed steps.

1. Identification of a strategic organizational agenda, including assumptions and concerns about current strategic thinking and vision.
2. Challenging of existing assumptions of organizational decision makers by questioning current mental models about the external environment.
3. Systematically examining the organization's external environment to improve understanding the of structure of the key forces driving change.
4. Synthesis of information about possible future events into three or four alternative plots or story lines about possible futures.
5. Development of narratives around the story lines to make the stories relevant and compelling to decision makers.
6. Use of the stories to help decision makers "re-view" their strategic thinking.

What is the History of Scenario Planning? Scenarios have a 25 year history of application in strategic business planning. According to Georgantzas and Acar (1995), the concept of scenarios was introduced into planning by Herman Kahn through his work with RAND Corporation in the 1950s. The concept was originally used in studies of military strategy for the US government, and has its roots in operations research conducted by the British during World War II. In the 1960s and early 1970s scenarios emerged as an organizational planning tool. Early applications were made in England by Royal Dutch Shell's strategic planning department (de Geus, 1988; Kleiner, 1996; Wack, 1985a; Wack, 1985b), and in France by urban and geographical planners (Godet, 1987; Ozbekhan, 1977).

Early scenario work was associated with the specific disciplines of operations research and strategic management. During the 1970s these distinct methods began to be synthesized into a multi-disciplinary approach incorporating the perspectives of professional planners, analysts, and managers. In the past two decades scenario planning and analysis have become increasingly popular as labels for the work of practitioners and researchers. Some observers now see it emerging as a distinct field of study (Huss & Honton, 1987).

What is the Value of Scenario Planning as a Learning Tool? The literature on scenario planning contains numerous descriptions of its value as a tool for both individual and organizational learning. Although originally developed as a tool for strategic decision making, scenario planning is increasingly characterized as an important learning tool (de Geus, 1988; Georgantzas & Acar, 1995; Kleiner, 1994, 1996; Schwartz, 1991; The Centre for Innovative Leadership, 1995; van der Heijden, 1995; Wack, 1985a, 1985b). Some authors characterize organizational decision making itself as an explicit learning process. The quality of organizational decisions is then seen as dependent on a process of learning (de Geus, 1988).

Individual Learning Reported benefits for individual learners include (a) a deeper understanding of the forces and dynamics of one's organizational environment, (b) an understanding of how possible future environments may require personal change, (c) a greater sense of confidence in dealing with the uncertainties of the future, (d) greater emotional readiness for change, and (e) improved quality of individual strategic thinking and personal decision making.

Organizational Learning Senge and Sterman (1992), in discussing criteria for the evaluation of organizational learning tools, identify three stages of an effective organizational learning process:

> Mapping mental models--explicating and structuring assumptions via systems models.
> Challenging mental models--revealing inconsistencies in assumptions.
> Improving mental models--continually expanding and testing mental models. (p. 140)

Georgantzas and Acar (1995) apply these criteria in their evaluation of a specific example of scenario planning. They conclude that all three criteria were fulfilled by the scenario planning process.

Senge, Kleiner, Roberts, Ross and Smith (1994) describe scenario planning as an important innovation in organizational learning. They characterize it as a tool for inquiry and reflection around mental models, and characterize it as an example of the action science methods of organizational learning described by Argyris and Schön (1978).

What is the Value of Scenario Planning as a Decision Making Tool? Schoemaker (1995) summarizes the advantages of scenario planning as a tool for strategic decision making by contrasting it with three alternative approaches: contingency planning, sensitivity analysis, and computer simulations. According to Schoemaker, contingency planning examines only one uncertainty (a base case and exceptions), while scenarios explore the interactions of multiple uncertainties in several combinations. Similarly, sensitivity analysis examines the effect of a change in one variable with others kept constant. This is useful for investigating the effect of small changes. Scenarios change several variables at once and explore the resulting interactions. In this way, scenarios "try to capture the new states that will develop after major shocks or deviations in key variables" (p. 27). In contrast to the objective output of a complex computer simulation, scenarios attempt to interpret and give meaning to the output, identifying new patterns which emerge. Scenarios go beyond objective analysis, often including qualitative elements of change that cannot be quantitatively modeled, such as changes in social values and in legal regulations.

In their recent comprehensive appraisal of scenario planning, Georgantzas and Acar (1995) trace the development of scenario planning methods from early, poorly structured approaches such as that of futurists Kahn & Wiener (1967), to recent and more rigorous techniques which follow structured methods for identifying scenario elements and assembling them into sets of assumptions to form scenarios. Citing Millet and Randles (1986), Georgantzas and Acar list three advantages of modern scenarios as planning and decision -making tools:

1. They can be rigorous, systematic, and factual.
2. They need modest amounts of time and resources. (Scenarios demand more data and calculations than purely subjective models, but less than statistical and econometric models.)
3. They can provide a direct link between the external environment and corporate strategy by allowing strategy makers to formulate, debate, and appraise their company's situation in its competitive and regulatory environments. (p. 262)

In What Areas has Scenario Planning been Applied? Business applications of scenario planning focus on three levels: the macroeconomic and environmental level (e.g., an entire industry), the competitive strategy level (e.g., portfolio analysis), and the operations level (e.g., product development) (Georgantzas & Acar, 1995). Scenario planning tools have been applied to a range of professional, organizational, and national issues. For example, in addition to its frequent use in business and industry, scenario planning has been applied in the fields of education (Habana, 1993; Ogilvy, 1993), health care (Venable, Li, Ginter & Duncan, 1993; Zentner & Gelb, 1991), and public policy and administration (Bonnet & Olson, 1994; Rosell, 1995; Zentner & Gelb, 1991). Scenario planning has recently been used in the planning of reengineering projects (Clemons, 1995), and to study the future of the profession of training and development (Plott & Humphrey, 1996). In this last application, the American Society for Training and Development's Council of Governors participated in scenario-based planning to define some of the premises behind likely changes in the workplace, and the implications of these changes for the profession of training and development. The initial report of this work included a summary of important trends affecting the future of the profession (Bassai, Benson & Cheney, 1996).

Scenario Planning and HRD

Review of the concepts, history, and practice of scenario planning has shown that it is currently used in change management and learning applications with organizations, groups, and individuals. Recent scholarly work on scenario planning has framed it within theories of individual and organizational learning and development (van der Heijden, 1996). Expert practitioners see it as an effective tool for managing change in organizations (The Centre for Innovative Leadership, 1995). A specific HRD application of scenario planning has been its use as a key part of the organizational analysis associated with planning and managing large-system change (van der Heijden, 1996).

Although our literature search found few references to the use of scenarios within HRD, descriptions of scenario planning in the management and planning literature, as described above, characterize it as a participative and transformational learning process, with potential for both active and reflective learning.

We believe scenario planning may have potential within the field of HRD, and should be evaluated as a tool for individual, group, and organizational learning and decision making. At the same time, broader attention from the HRD profession has the potential to advance the theory and practice of scenario planning. Specifically, application of HRD techniques of instructional design and evaluation could provide valuable information on the reliability and validity of the claims of learning and performance improvement found in the scenario planning literature. There is a clear need for concepts and techniques of evaluation within the practice of scenario planning. None of the descriptions of scenario development and presentation practices that we found includes an evaluation component. With the exception of one brief report (Schoemaker, 1995) of an empirical investigation of changes in scenario participants' subjective estimates of the probabilities of possible future events, we found no examples of formal evaluation of scenario planning.

Finally, the recent report (Plott & Humphrey, 1996) of the use of scenario planning to anticipate future trends within the field of training and development suggests that scenario planning may be of value to decision makers in a rapidly emerging profession such as HRD.

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The Alignment of Corporate Strategy and Training: A Survey of Trainees and Managers

Max U. Montesino
Indiana University-Purdue University Fort Wayne

This paper reports the findings of a study that explored the relationship between the variables called "presence of practices to support transfer of training" and the "perception of trainees and managers of the alignment of training with the strategic direction of the organization" in a targeted training program of a Fortune 200 company, in Michigan. A low-to-moderate positive correlation between these two variables was found. Its implications are discussed.

The researcher wanted to know whether trainees and their immediate supervisors engaged in transfer-enhancing behaviors (before, during, and after training), depending upon their perception of the alignment of training with the strategic goal of the organization. A secondary purpose of this study was to investigate the relationship between awareness of and commitment to the strategic direction of the organization among trainees and their managers. The subjects of the study were 147 sales representatives and 36 field managers (96% of the targeted sample size). The study consisted of a survey and three follow-up discussions with 30 trainees that took place during the fall of 1993 and winter 1994.

The Problem

Several sources suggest a low return of the investment in the multimillion-dollar training industry in the USA. In 1992, Broad and Newstrom estimated an average expenditure, across the entire workforce, of more than $400 per employee per year in training and development activities. Baldwin and Ford (1988) had previously estimated that not more than 10% of these expenditures [typically] result in transfer to the job. The researcher suspected that the weak linkage training site-work environment revealed in the literature about transfer of training (Montesino, 1995; Montesino, 1996) might be at the heart of the low transfer of training problems perceived by many business leaders. For that reason, several scholars and practitioners (Broad & Newstrom, 1992; Brinkerhoff & Gill, 1994; Huczynski & Lewis, 1980; Zemke & Gunkler, 1985) call for a more active role of the key training players (that is, trainers, trainees, and immediate supervisors) in bridging the gap between training and job performance by managing the transfer of training process, beyond the emphasis given thus far to the instructional design and delivery aspects of training.

On the other hand, few studies have been aimed at inquiring into the critical linkage of training with the strategic goal of the organization; in spite of the growing concern about this issue in the training and development community. Some of the few studies in this area include: Carnevale, Gainer & Villet (1990); Casner-Lotto & Associates (1988; Rosow & Zager (1988); and Training Strategies, Inc. (1992).

Training Strategies' study (1992) helped to visualize two different scenarios in regard to training and corporate strategy: a) the organization that integrates training into the strategic business planning and implementation processes (scenario 1), and b) the organization that marginally inserts the training function into these processes (scenario 2). In scenario 1, the corporate mission and HRD mission are identical. HRD plans are constructed in the same context and by the same process as the business plan, and are viewed in direct relationship to it. In this type of organizations, trainers are policy-creators rather than policy-followers. Leadership from the CEO provides tremendous leverage for integrating training with strategic goals. The HRD director sits at the strategic planning table and is an active participant in

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formulating corporate strategies, directly influencing strategic decisions from the outset. From the involvement of the HRD Director, training plan drivers are derived. These training plan drivers act as linkages with business activities. These plan drivers guide the focus of training and the needs analysis process and establish parameters to evaluate the value added from training and the return on investment. In scenario 1, each single training activity is connected, through a strategic map, to the strategic business goals. The training progress is reviewed in achieving the business plan, with strategic partnerships developing between trainers and line management.

Scenario 2 shows less developed linkages between training and corporate strategy. Here, corporate strategy is formulated by a small, select group of top officers. It is then transmitted to lower levels in the organization in diminishing communication that reduces the ability to translate strategy into training needs. In this scenario, the training plan, if any, and the business plan do not stem from the same process. They are viewed in isolation and usually are short-term and schedule-driven. The result is that the training plan remains at operational level. In scenario 2, the HRD function acts as an observer of the strategic planning process, without involvement in key decisions. It acts as a consulting entity and receives strategic clues indirectly, usually at the implementation stage--too late to impact these key decisions. The HRD unit is viewed as a firefighting, program-maintenance entity, that responds to line managers' requests. The HRD staff has to rely on several survival strategies to receive strategic clues and to become involved in the strategic planning process, playing the double role of trainer and in-house lobbyist to advocate in favor of training.

Previous to this investigation, little was known about the two main variables of the present study (practices to support transfer of training and alignment of training with the strategic direction of the organization) considered together.

The Variables

The variables investigated in this study were: a) perceived presence of practices to support transfer of training, b) perceived alignment of training with the strategic direction of the organization, c) perceived awareness of the strategic direction of the organization, d) commitment to the strategic direction of the organization, and e) self-reported transfer of training . Variables a), b), c) and d) were operationalized by building four composite indexes with several questionnaire items.

Variable a) was defined by a list of well-supported, research-and-best-practice-based synthesis of transfer enhancing behaviors that have been singled out from the literature review and suggested from field experts. The questionnaire was organized so that 16 different practices were assigned to the trainer, 13 to the trainees, and 12 to the managers. The subjects were asked to identify the extent to which each practice was in place before, during, and after the training program they participated in.

Variable b) was defined by 5 questions in the survey. Variables c) and d) were defined by two survey questions each. Variable e) consisted of a scaled-question used by Brinkerhoff & Montesino (1993) in another study. In that question, the subjects self-reported their perception of the transfer of training that took place after the training program was over.

Hypotheses

Four hypotheses were tested in this study. Based on the review of the available literature, the researcher advanced that:

1) there would be a positive relationship between the perceived presence of practices to support transfer of training and the perceptions of trainees and managers of the alignment of the training program with the strategic direction of the organization. That is, the correlation coefficient between the two variables would be higher than zero.

2) there would be a relationship between the variable "reported transfer of training" and the variable "perceived alignment of training with the strategic direction of the organization", so that the subjects may have reported more or less transfer of training taking place depending upon their perception of the alignment of the training program with the strategic direction of the organization. That is, there would be a significant difference between the two groups in the mean (or mean rank).

3) there would be a relationship between the variable "reported transfer of training" and the variable "perceived presence of practices to support transfer of training", so that the subjects that reported very-high transfer of training may also have engaged themselves in more transfer enhancing behavior, and vice versa. That is, there would be a significant difference between the two groups in the mean (or mean rank).

4) there would be a positive relationship between the variables "perceived awareness of the strategic direction of the organization" and "commitment to the strategic direction of the organization." That is, the correlation coefficient between the two variables would be higher than zero.

Statistical Procedures

An investigator-developed questionnaire was used to measure the variables. A pilot test took place previous to the administration of the survey. Its validity was established by an expert panel and a quantitative technique for content validation (Biner, 1993). The reliability was established through the use of the Cronbach's alpha coefficient (Cronbach, 1951). The composite indexes that quantitatively defined variables a), b), c), and d) obtained standardized alpha reliability coefficients of 0.88, 0.71, 0.88, and 0.96 respectively. Since the internal consistency for this self-reported instrument is considered adequate (based on the Cronbach alpha coefficients mentioned above), the reliability of the measures for the four variables was sufficiently established. Parametric and non-parametric techniques were used to test the hypotheses for trainees and field managers at 0.05 level.

Hypothesis 1) was tested by computing a Spearman rank-order correlation coefficient between the variables for trainees (result = 0.29); and a Pearson product-moment correlation coefficient for field managers (result = 0.38). Conclusion: based on these tests, there is sufficient evidence to support the hypothesis for both trainees and field managers.

Hypothesis 2) was tested by computing two Mann-Whitney U tests for trainees (result = U value of 1866.0) and field managers (result = U value of 83.0). Conclusion: support for the hypothesis in the case of the trainees, and insufficient support in the case of field managers.

Hypothesis 3) was tested by computing a t-test for independent means for trainees (result = t-value of 3.99) and a Mann-Whitney U test for field managers (result = U value of 90.5). Conclusion: sufficient support for the hypothesis in the case of trainees, and insufficient support from part of the field managers.

Hypothesis 4) was tested by computing a Spearman rank-order correlation coefficient between the two variables for trainees (result = 0.26), and a Pearson product-moment correlation coefficient for field managers (result = 0.63). Conclusion: sufficient support for the hypothesis for both trainees and field managers.

Interpretation of the Findings

This study found a low-to-moderate positive correlation between the "perceived alignment of training with the strategic direction of the organization" and the "presence of practices to support transfer of training" for both trainees and managers. In other words, it was found that the trainees and their immediate supervisors actually engaged themselves in more or less transfer-enhancing behaviors (before, during, and after training), depending upon their perception of the alignment of training with the strategic goal of the organization.

The group of trainees that self-reported very-high transfer of training perceived significantly higher alignment of the training program with the strategic direction of the organization than the group of trainees that self-reported low-to-high transfer of training. Field managers did not differ significantly in this variable. Trainees who self-reported very-high transfer of training also reported significantly higher presence of practices to support transfer throughout the training program than the group of trainees that self-reported low-to-high transfer of training. Field managers did not differ significantly in this variable either.

A positive correlation was found between "perceived awareness of" and "commitment to" the strategic direction of the organization. This finding reveals that those trainees and their managers who

self-reported higher awareness of the strategic direction of the organization, were also more committed to that strategic direction than those trainees and managers that reported lower levels of awareness.

Implications of the Study

The findings of this study suggest that the higher the alignment of the training program with the organization strategy, the higher the likelihood that key training constituencies will engage themselves in transfer-enhancing behaviors, and, consequently, the higher the likelihood of transferring training to the job. A significant portion of the subjects in this study saw more value from training, perceived that they transferred more training to the job, and engaged in more transfer-enhancing behaviors as they saw more alignment of the training program with the strategic direction of the organization. This study also confirmed the findings of several scholars (Broad & Newstrom, 1992; Brinkerhoff & Montesino, 1995; Brinkerhoff & Gill, 1994; Georgenson, 1982; Huczynski & Lewis, 1980; Michalak, 1981; Zemke & Gunkler, 1986) that stress the great need for building support systems for training by building partnerships among trainers, trainees, and managers to encourage transfer of training.

The results of this study have program-wide and organization-wide implications, as well as implications for the field of human resource development. This study contributes to the understanding of crucial training concerns: a) the way corporate strategy and training usage relate to each other, as important elements of a training paradigm more responsive to individual needs and more accountable for organizational pay off; b) the importance of mapping each individual training activity to the organizational goals; c) the need to create support systems for training; and d) the importance of informing organizational members about the strategic direction as a way of eliciting commitment to it.

These findings add to the body of knowledge on how training and corporate strategy should relate to each other and suggest a further researchable relationship between the support for transfer and the alignment of training with the strategic direction of the organization. Further research in different training settings and incorporating several other variables is highly recommended due to the limited generalizability of this study beyond the organization where it was conducted, its reliance on self-reported perceptions from trainees and their managers, and the retrospective nature of the survey.

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Strategic Human Resource Development: A Conceptual Exploration

Monica M. Lee
Lancaster University, UK

A exploration of the concept of "strategic human resource development" shows it to be functionally important, yet difficult to define. Four models of SHRD are presented and contextualised, leading to a situated and expanded view of SHRD. Given that the organisational world is increasingly adopting views propounded by SHRD theorists, further attention to strengthening the conceptual base of HRD would help legitimate SHRD as an academic discipline.

Since the Second World War the nature of "management," both as an idea and a profession, has undergone a variety of changes, generally as a reaction to prevailing social and economic challenges. Similarly, the nature and focus of human resource development (HRD) has changed in reaction to the changing face of 'management'. However, there is a cyclic progression here, in that HRD, of itself, effects the nature of management and 'managing', which in turn has a direct effect upon the nature and viability of industry, and hence the nation's economic performance. To date, much of the long term effect associated with HRD has occurred in an uninformed manner, based upon the reactive cycle described above (Stead & Lee, 1996). The first part of this paper, therefore, attempts to map (briefly) the changing nature of 'management', and HRD, in order to build a base for an exploration of strategic HRD (SHRD).

In 1987 two influential reports were published in the UK (Handy, 1987; Constable & McCormick, 1987). They noted that British managers appeared to have received far less training and education than their major industrial competitors. Both reports proposed a significant expansion of provision intended both to enable existing managers to 'catch up' and to train potential new entrants. This led to the creation of the Management Charter Initiative (MCI) which brought together government, employers and education establishments in proposing various national solutions to the problem. One of the main difficulties has been in first addressing what 'management' and the nature of managerial work really are, and thus what is 'really' involved in the education, training and/or development of managers, prior to then agreeing upon the best ways of facilitating this. The differences between how the role of the manager is viewed, and hence, how it might best be facilitated, equate with different social and historical approaches to management. Overall, as can be seen in Figure 1, there are four main views of 'management': the classical, scientific, processual and phenomenological.

Classical Management. The classical view of management is derived from experience of good practice in large organisations, particularly in the latter part of the last century. Notions of hierarchy, recruitment and promotion, regulations and unitary chains of command come from military organisations; span of control, clarity of procedures, and budgets for resource allocation come from administrative organisations. Admittedly there are differences in emphasis between different countries according to the peculiarities of their systems: the Germans may think of the Prussian army; the French of the Ministries set up by Napoleon; and the British of the Indian Civil Service. Nevertheless the principles outlined by early writers such as Henri Fayol (1916) are readily transferable into the experience of most countries.

Managers, within the classical view, must be able to create appropriate rules and procedures for others to follow, they must be good judges of people and able to take independent action as and when required. Management Development is strongly focused on HRM and is a matter of selecting the 'right' people with leadership potential (normally those from the upper strata of society); ensuring that they are fully conversant with past experience and current practice, and that they are committed both to their calling and to the organisations in which they will subsequently work. This is clearly evident in the curriculum of business schools in the USA and France in the

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first half of this century, where there was much emphasis on the teaching of good practice through the use of cases as exemplars (Barsoux, 1989). The most influential stakeholders in the provision of this form of management development are the organisations themselves. They have an interest in the progression of their staff within their organisation, and are not necessarily too concerned about the lack of external qualifications if the person is 'right' for the job. To a certain extent, externally accepted qualifications are seen as an inducement to job mobility and hence organisational instability.

Views of Management	*Classical*	*Scientific*	*Processual*	*Phenomenological*
Characteristics	Large Organisations, Hierarchy, recruitment, promotion, regulation etc.	Management as a science, logical analysis, solutions and 'right' answers, economic criteria	Management as an art, experience, learning to learn, raising questions, accept emotionality	'Management' as part of social structures, lack of causality - unpredictability.
Barriers to entry.	Elitist (class) barriers	Lack of specific qualifications	Lack of personal qualities	Wrong place or wrong time.
Stakeholders	Organisation	Business Schools	Mainly Individual	Multiple
Views of Human Resource				
	Selection, leadership ,find the 'right' person. - traditional HRM	Training, quantitative, problem solution, uni-disciplinary. - traditional HRD	Education and focused Development qualitative, interpersonal skills, etc., multi-disciplinary.	Emergent Development Integrated, holistic, arising systemically, multi-cultural.
Examples	Teaching of 'best practice'	Objective criteria, Specialist qualifications	Total Quality Management Business Process Re-engineering	Social systems, Action Learning, Life long learning

Figure 1. Views of management and HRD.

Scientific Management. The scientific view was fostered by the enormous progress that had been made in the application of operations research and logistics during the Second World War. This view is predicated upon the idea that human behaviour is rational, and that people are motivated by economic criteria (Taylor, 1947), and suggests that correct decisions and courses of action can be derived through mathematical analysis, and that there is a logical solution to questions of organisational design and operation. This was the basis for the revolution in management education in the USA, that was sparked off by the Gordon and Howell report (1959) which emphasised the need for scientific selection of students, and the selection of faculty according to their academic qualifications rather than their management experience. Management scientists now needed to be well trained in quantitative techniques, and managerial competence could be acquired by anyone irrespective of social origins. If anything, managerial experience was a thing to be eschewed because it represented 'unscientific' practice. This might still be reflected in the way US business schools continue to be reticent about establishing relationships that are too close to industry (Rehder et al, 1991).

The dominance of this view coincided with the rapid development of functional disciplines and departments (such as Marketing, Operations Research and Finance) in Business schools on both sides of the Atlantic, and was mirrored in the establishment of 'training departments' in organisations whose remit was to identify and fill the *'training gap'* through scientific methods of analysis. Training was a subsidiary, low prestige, and mechanical function. The most influential stakeholders in the provision of management development were the management schools with their focus upon hierarchical qualifications, the 'professionalisation' of management, and distinct knowledge-based areas of expertise. Scientific views of management are still highly influential, despite disillusionment amongst leading management scientists (Ackoff, 1979; Simpson, 1978), along with the spectacular failure of some 'projects' which relied heavily on management science

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techniques. Indeed, some claim that it is the over reliance on rationalistic methods such as PPBS which led to American defeat in the Vietnam war (Locke, 1989).

Processual Management. A balance to this is provided by the processual view of management. As early as the 1920s, Elton Mayo and colleagues had realised, through a series of studies at the Hawthorne Works of the General Electric Company, that individuals are significantly influenced by groups and the social context in which they are working (Mayo, 1933). Herzberg et al. (1959) showed that people are less motivated by economic rationality than by being given recognition and responsibility; and Mintzberg (1973) demonstrated that analytic techniques were of limited relevance to the *real* work of managers. The phenomenal economic success of Japan in the late 1970's led to the suggestion (Ouchi, 1982; Peters and Waterman, 1982) that Western managers should try to reproduce some of the cultural conditions that made this so leading to a focus upon Total Quality Management (TQM) and attempts to *'create'* the Learning Organisation. Each of these movements suggests economic advantage will come to those who are best able to manage the interpersonal processes - to spot opportunities, to learn rapidly, and to create appropriate commitment amongst colleagues.

Human resource development plays an important part in the processual view of management - current and future managers are helped to develop leadership and interpersonal skills, creativity, self reliance and the ability to work in different cultures. As with the scientific model these are all attributes that can (ideally) be developed regardless of social origin. Although the individual is the main stakeholder in his or her own development, the direction of the organisation (and thus of an individual's development) remains at the behest of senior management who, through initiatives such as Business Process Re-engineering (BPR), are believed to mould the organisation and the people within it.

Phenomenological Management. This view of management is associated with the notion of multi-disciplinary flexible pathways of development and life long learning that benefit all the stakeholders, whose togetherness can be seen as an 'organisation' that is able to adapt and change in response to a changing environment. From this perspective, however, the boundaries between individual and 'organisation' are blurred (the organisation becomes disembodied and can only be talked of as a unitary phenomenon under particular circumstances). The nature of management is that of being part of a system whose activities change as a function of the system and of its relationship to its environment. All individuals are seen to collude with their situation and, through that collusion, are 'together' responsible for the running and development of the organisation (despite some being 'senior management' and others from the shop floor).

The development of one individual helps the development of the whole, but such development is emergent, by which is meant that there is no clear end point or targets for such development (Lee 1997). This view of management removes the distinction between 'management' and 'HRD' and embraces alternative organisational structures (such as creative partnerships, self managed teams etc.) more easily than do the other views. In addition, because the phenomenological view eschews ideas of (real) control by a hierarchy, as well as questioning the ability of the organisation to (really) predict or plan, this approach is more in tune with work that questions the serial and causal nature of our existence (Stacey, 1993; Lee & Flatau, 1996). Each of these interpretations of 'management' is problematic and some of these 'problems' will be discussed later in this paper, however, having laid out four different ways of viewing management (and people) I shall build further upon this base, before critiquing the whole.

Strategy and HRD

The Watson Report (1994) pulled together the findings of two major UK research projects. The Cannon Working Party looked at the state of UK and analysed developments since the Handy and Constable Reports. Despite some general reservations, they found rapid growth in virtually all forms of management development provision, and changes in attitude among senior managers and organisations, such that successful organisations appeared increasingly aware of the link between the quality of management (and its development) and overall performance.

The Taylor Working Party looked towards the millennium, and the main pressures likely to affect business and training needs - as identified by corporate opinion makers and organisations. Key findings of importance here are the anticipated changes in organisational structure (contracting out, delayering,) and changes in the nature of management (flexible, mobile, portfolio working) and of development (individuals taking responsibility for their own life long development). These were tied to the need for greater *empowerment*, and 'Strategic thinking was ranked as ***the*** priority skill for the future'(Key finding 4). Taylor then identified six challenges which he addressed in the remainder of the report (Figure 2).

1. Organisations, both large and small, need to be educated to recognise that investment in management development contributes directly to long-term competitiveness.
2. Managers must commit themselves to life-long learning.
3. Senior managers must provide commitment and leadership.
4. Standards and qualifications must be transferable and widely acceptable.
5. Providers must recognise and respond to the diverse training and development needs of users.
6. A more coherent infrastructure for management development must be created.

Figure 2. Taylor's (1994) Six Challenges

Each of these challenges places HRD centre-stage as a strategic influence in organisational and national development. In addition, the importance placed upon empowerment and strategic thinking represents a shift from previous analyses. The future of the nation is now seen to be linked to the personal qualities and thought styles of all individuals (not just corporate leaders).

Rhetorics of 'empowerment' 'strategy' 'learning' and 'development' have become important catch-phrases for organisations and the training function, however, they are not unitary or well defined concepts (Lee, 1997). Rhetoric has become the panacea of the 'Nineties, and these words are often used as if talking about them can magically transform any organisation, whatever its size, structure, environment or culture, *into 'the organisation of the future'*. As Stacey (1993) argues, conventional wisdom gives HRD an important role in supporting an organisations strategy, not only because it motivates people, but also because it provides the skills required for strategy implementation (Hussey, 1991). Pedlar et. al. (1990) outline levels in the development of SHRD (Figure 3), such that a 'Learning Organisation' would be one in which HRD enhances the nature and quality of the corporate policy-forming processes. This model of 'levels' however, assumes that the organisation is a large bureaucracy in which any action can only be described as strategic in so far as it is explicitly linked to the implementation of pre-defined policy; in which corporate policy is decided by senior management, and in which HRD is a sub-function alongside HRM. Whilst such levels might be apparent in that circumstance, there are many forms of 'organisation' and perhaps a more detailed examination of the relationship between SHRD and organisational development is required. For example, in contrast to conventional wisdom (which assumes that organisations are active participants in predictable environments) it can be argued that the majority of organisations are reactive participants in unpredictable environments (hence the popularity of consultancy - as it provides outside information that facilitates effective reactive behaviour). In addition, some organisations are passive within a predictable environment (they know what is going on but don't want to change), and others are active within unpredictable environments (such as in Mintzberg's adhocracy) in which organisations are continually looking for more information and developing coping strategies in anticipation of changing situations. The configuration of the organisation (i.e. Miller, 1986), therefore, is likely to be contingent upon its interpretation of, and its reaction to, its environmental

1. No Systematic HRD Development.
2. Isolated Tactical HRD.
3. Integrated and Coordinated Structural and Development Tactics.
4. An HRD Strategy to Implement Corporate Policy.
5. HRD Strategy Input to Corporate Policy Formation.
6. Strategic Development of Management of Corporate Policy.

Figure 3. Levels of SHRD, after Pedlar et. al.

circumstances (i.e. Child, 1984). The different views of management and HRD explored above entail different views of organisational development as well as of the nature of 'strategy' and of 'strategic thinking'.

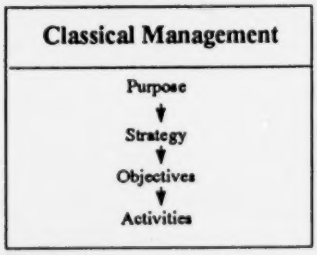
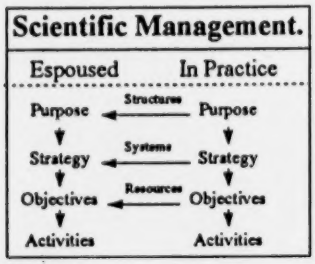


Figure 4.



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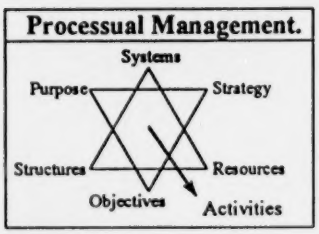

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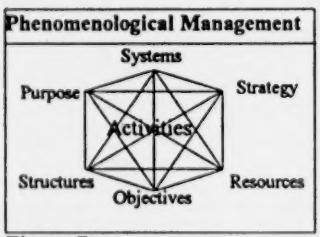

Figure 7.

Organisational Development & SHRD

In the ***Classical view*** of management (Figure 4) there is little need for the organisation to 'develop'. Strategic thinking is a concrete activity that helps align the organisation's activities to its pre-determined purpose in an environment that is seen to be predictable and controllable. These strategic thoughts (tactics) are then passed on to those who enact them. The role of HRD is to ensure that all members of the organisation have the knowledge and skills necessary for the completion of their tasks.

The ***Scientific view*** of management assumes the need for structured and planned organisational development (Figure 5). This view is the one that is traditionally addressed by 'strategic management'. In other words it comprises the heart of the 'MBA' and Porter'istic (1985) views of context analysis and differentiation into market segments. The role of HRD is as a form of 'social engineering', operating as a function within the organisation in order to coalesce divergent views in accordance with the purpose (mission) and objectives established by the hierarchy. In this view, SHRD might be said to occur if the HRD function plays a deliberate role advising how the corporate policy might best be supported (as shown in Figure 3), and strategic thinking is the prerogative of those in charge.

Processual Management (Figure 6) moves away from this by suggesting that the internal processes, as well as the 'individuals', need to be 'engineered' such that the desired activities (as defined by the hierarchy) are enhanced. In stepping from the idea of social engineering, Business Process Re-engineering acknowledges the complexity of the external environment, and the need for an attendant complex view of the internal processes, such that different aspects of the organisation might be working towards different, mutually supportive, objectives. This can be seen in the growing move to clarify purpose and the subsequent stages alongside changes in the appraisal process (systems), a review of organisational structures, and the increasing popularity of programmes designed to influence individual values (resources) towards those of the corporate mission. It is essentially passive in an unpredictable environment, reacting to changes, such that the role of the consultant is to provide information upon how the organisation might better react, and the focus of SHRD remains upon the reworking of the organisation's internal processes in order to meet an externally defined task. The intent is to create equilibrium, and whilst ambiguity is recognised to exist, it is seen as potentially harmful.

The ***Phenomenological approach***, recognises that the 'organisation' does not stand as an independent body, but is a conglomerate of individuals that agree (or collude with) ways of working that together comprise the organisation, and thus together co-regulate the activities and beliefs of the collective. It is the interactions that are of importance, rather than descriptions of 'purpose' etc. The 'mission' and attendant activities are only as valuable as the percentage and power of those agreeing with them, and therefore cannot be imposed. Different parts of the system might well adopt different configurations, and configurations might change as 'needed'. The

activities of the system are emergent and feed back into it (Weick, 1977), they can influence all other aspects of the system, and the system itself can be 'far-from-equilibrium'(Stacey, 1993). This approach, therefore, denies the ability to 'plan' or 'control' organisational development - it argues for a resource-based view of the organisation in which the role of 'managing' is fragmentary (i.e. Mintzberg) and offers a valuable critique of the established 'discipline' of strategy.

So What is Strategic Human Resource Development?

Emergent forms of thinking within both the natural and the human sciences have begun to challenge traditionally held views about the nature of knowledge, the status of science; the question of truth and the ultimate purpose of progress. Given this changing context there is a need to re-examine the fundamental premises of HRD. This paper has explored four different views of the nature of management, of HRD, and of the strategic role that HRD plays in organisational development. Each of these could be seen as a form of thinking, a way of life. Clearly these are more like archetypes than they are a true statement of what exists. People, structures, perceptions and intentions vary - it would be difficult to study an organisation and say that all parts of the organisation and all people within it operated as if they were a 'pure' version of one approach. If nothing else, the sort of terminology used in the previous sentence would not be appropriate for all approaches. For example, it is inappropriate, within the phenomenological approach, to talk of 'organisations' as if they had a body and could be anthropomorphised, or of 'people' as if they were machine cogs within 'the organisation' whose function was to 'operate'. A change in approach requires a change in the language and meaning that is used.

The very act of stepping back in an attempt to examine the different approaches is, in fact, a statement of approach. As we step back we are saying that there is a *phenomenon* here that we can explore. We are saying that we believe that there is no one *'right'* way, and that it is appropriate to look at the inter-connectedness of our existence - at the alternatives that might be - that statement. however, is a statement of a *'right'* way!. We can not really step out of this conundrum, but we can try and understand where it might lead us. If we accept that our existence is interpretative, chaotic and complex it is easier to accept that our ways of managing and structuring are normally individual and collective attempts to make sense of this complexity. Each of the four approaches presented above is therefore a *'belief system'*. Each of these belief systems may (or may not) be appropriate for the circumstances that the people concerned encounter. We can therefore shift our area of study - towards the examination of these belief systems in terms of their outcomes - returning to the dependant variable (Swanson, 1996).

A further complicating factor is that (from the phenomenological perspective) both the *'outcomes'* and the 'value' of them are subject to interpretation. There is no longer necessarily a clear and obvious route between cause and effect - and one person's preferred 'outcome' might be someone else's feared possibility / cause. In both theorising about HRD and in the practice of HRD we can no longer assume that a particular intervention at a particular time will produce a known effect. We lose the gloss of certainty that many HRD professionals feel is necessary for their work as academics, consultants, trainers etc. HRD and learning are becoming more central to the needs of the nation (as in Watson, 1994) however, it is not *all* forms of HRD, learning or knowledge acquisition that are being championed. The certainty of ex-cathedra provision is limited in its ability to support empowerment or strategic thinking - instead developers are turning to action learning, the valuing of experience, and explorations of holistic provision (Argyris, 1990; Lee, 1996b; Pascale, 1990; Revans, 1971; Senge, 1990). This shift in provision further increases the complexity and uncertainty of inquiry into the nature (and practice) of HRD.

In adopting a phenomenological perspective we are moving away from inquiry into a reasonably coherent area of study and practice, and into a messy arena that resembles a battle ground of social systems. The study of HRD becomes the multi-disciplinary examination of process that underlie human interaction (as of Baker & Jones, 1996), development and organising. HRD, however, is more than the academic study of social systems. In 'pure' social groupings (friends, family) the activities of the system are largely focused upon maintaining 'successful'

interaction, such that members feel satisfaction and sense of belonging through this interaction. The study of HRD, however, assumes a purpose over and above social interaction and allows us to question what the 'purpose' of the system might be - which might *not* be about competitive advantage (i.e. voluntary sector organisations), and might *not* be about enhancing its longevity.

These points go further than a post-modern form of cultural relativism. I suggest that 'management' is about ***agency*** in a pluralistic, relativistic and interpretative world. 'Management' becomes the art of influencing the internal processes such that 'resources' (human and otherwise) are utilised and developed towards the negotiation, emergence and meeting of a generally agreed, but often poorly defined, external purpose. From this perspective, agency also involves the search for the patterning of the whole, for dynamic structures, an understanding of the possibilities and their links - a ***holistic*** approach. Holistic agency is therefore about individual action (or non-action) within a relativistic world (see Lee, 1996a; Lee et al., 1996; for further discussion of Holistic Agency). I suggest that whatever the label, many agents of change (SHRD professionals) find themselves working in this way, and that this is an approach to be studied and to be fostered.

'Strategy' becomes the art of *formulating strategic processes* that influence the collective view of external purpose in line with external 'reality' and internal potential, such that individuals see their activities as influencing, and being influenced by, collective purpose. The challenge is in the need to facilitate a coherent and co-regulated view of the organisation through influencing its processes in a way that captures relevant information and learns from this. Often most learning comes from the outrageous or deviant, thus it is important to include the ability to capture new items, feeding these back to the whole, both for consideration and to indicate possible trends. This approach recognises that there is often no clearly identifiable 'cause' to incidents but that a collection of little things can combine to make them go well or badly.

Whilst much of strategic theory has been developed and can best be interpreted in relation to large bureaucracies, in recognising fundamental processes within an organisation, this approach is applicable whether the organisation is a bureaucracy, SME or virtual network; whether it is multinational or non-profit making - though the challenge of influencing these processes might be different in each case. Thus the study and practice of SHRD allows for a range of different functions and activities. In essence this paper is a plea for further study of SHRD. The organisational world is increasingly adopting views propounded by SHRD professionals, both academics and practitioners. However, if SHRD is to be legitimised as an academic discipline or as an important aspect of practice, then further attention needs to be paid to the conceptual base from which we work. This plea is addressed to both academics and practitioners as both groups face the challenge of making sense of the world, and, together, they are better able to construct the sort of complex and ever-changing picture that is SHRD.

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The Integration of Human Resource Development Into the Strategic Planning Process: A Comparative Case Study of Three Corporations

Clyde T. Conine, Jr.
Macon College

The purpose of this study was to delineate the nature of the integration or lack of integration of human resource development (HRD) into the strategic planning process of three corporations. This study revealed four HRD roles that can be represented on a continuum reaching from low integration to high integration. The level of integration is influenced by a number of factors including external business conditions, internal top management support, internal HRD person-specific factors, and internal organizational factors.

Strategic planning is a process that involves an evaluation of a firm's internal strengths and weaknesses as well as its external threats and opportunities. Armed with such knowledge, executive planners attempt to point all organizational efforts in a common direction. While there remains some controversy as to the link between strategic planning and improved company performance, the evidence is mostly favorable. Boyd (1991), using a meta-analysis to combine 29 samples that included 2,296 organizations, concluded: "While the average effect size is small, many firms do report significant, quantifiable benefits from participating in the strategic planning process" (p. 369). Despite the conflicting evidence and even projections of the demise of strategic planning (Mintzberg, 1994), it is now utilized in all types of firms.

Many companies have begun to recognize, however, that these comprehensive corporate plans have not always been implemented as desired and that programs have not been prepared to meet the strategic needs of the organization. Thus, there has been a growing recognition for the need to integrate all operating levels into the strategic planning process. Below, Morrisey, and Acomb (1987) argued that since the strategic planning process requires the continuous involvement of the operating executives throughout the organization, there should be an emphasis on team planning, which builds commitment. The strategic plan should be developed as part of an *Integrated Planning Process*. The integrated planning process ensures that everyone in an organization participates in the preparation of the plan and that everyone in the organization understands the plan.

Unfortunately, few organizations include everyone in the planning process. Notably absent from this body of strategic planners have been the human resource executives, particularly the person(s) charged with the responsibility of HRD. Numerous reasons have been offered for linking human resource development into the strategic planning process (e.g., Nadler & Nadler, 1990; Peery & Salem, 1993; Sonnenfeld & Ingols, 1986). In general, increased costs, lack of coordination, lower productivity, high turnover, and decreased motivation are cited as the price of the lack of integration.

Integration means to bring together or incorporate into a unified, harmonious, or interrelated whole or system (*Random House Webster's College Dictionary*, 1991). In HRD it has been suggested that systems theory aids in understanding complex organizations as a whole. And even when parts are analyzed separately, the recognition of interdependence aids understanding (Jacobs, 1989; McLagan, 1989; Watkins, 1989). McLagan stated, "Most of the important changes in the nineties will and must be treated systemically. HRD will evolve the analytical tools and solutions to meet that need" (p. 51). Moreover, Senge (1990) forcefully argued that the competitive organizations of the future will be learning organizations that pay attention to five technologies. The first, which he calls the fifth discipline, is systems thinking. Systems thinking pulls the other four disciplines (personal mastery, mental models, shared vision, and team learning) into a harmonious whole. Hartshorn (1989) contended that the major lesson from systems thinking "is the need to become part of the strategic planning process" (pp. 86). This study reached out to general system theory for support of the concept of the integration of HRD--or any other function, for that matter--into the strategic planning process.

Research specifically directed toward the study of the integration of HRD into the strategic planning process of organizations is rare. Benoliel (1988) and Bianco-Mathis (1989) reported research

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related to HRD's *participation* in strategic planning or strategic change, but this present study differs significantly (in terms of methodology and focus) from these two studies. Garavan (1991) surveyed 90 companies and concluded that the formulation of HRD policy and plans is necessary in order to have a strategically oriented HRD function. Redding (1990) concluded that strategy-linked training stems from a commitment from top management. The lack of top management commitment to organizational development (OD) has also been found to be a barrier to linking OD and organizational strategies (Mendelow & Liebowitz, 1989). Despite the contributions of these studies, there is still much to learn about the nature of the *integration* of HRD into the strategic planning process.

Research Questions

The purpose of this study was to delineate the nature of the integration or lack of integration of HRD into the strategic planning process of three corporations. These questions guided the study:

1. How is the role of HRD defined in the organization's strategic planning process?
2. What are the barriers to the integration of HRD into the organization's strategic planning process?
3. What are the factors that enable or facilitate the integration of HRD into the organization's strategic planning process?
4. What is the nature of HRD activities as they contribute to the organization's strategic planning process?

Methods

Case study was the basic research design used to delineate the nature of the integration of HRD into strategic planning. Three different organizations were selected for this research activity, an example of what is referred to as a *comparative case study*.

Selection of Cases Purposeful sampling was used. Patton (1990) defined purposeful sampling as the selection of "information-rich cases whose study will illuminate the questions under study" (p. 169). In addition to the sampling strategy, the nature of this study and the limitations of time and geography also required certain criteria for selection. Criteria for selection of the three cases for this comparative case study were (a) the organizations had to have an HRD function with an HRD practitioner responsible for this function, (b) the organizations had to have a formal strategic planning process, and (c) the organizations had to be located within the Southeastern United States. The following three corporations met all of these criteria.

Company A is located in a rural area about 20 miles outside a major metropolitan statistical area in the Southeastern United States. Three plant sites and the mining operations cover about a 50-mile radius. As part of a larger corporation with corporate headquarters in the Northeast, this area operation employs about 1250 people. In business for more than 75 years, the company mines and processes kaolin (a fine white clay) into coatings and filler pigments for industries such as petroleum, paint, plastics, rubber, adhesives, ceramics, textiles, and paper.

Company B is located about three miles outside a major metropolitan statistical area in the Southeastern United States. The four-story office building sits about one-half mile off a major interstate inside a well-landscaped area covering 20plus acres of land. As part of a national insurance corporation with corporate headquarters in the Northeastern United States, this regional operation employs about 1,750 people. In business for a little over 60 years, the company is a low-cost provider in the private passenger automobile insurance market.

Company C, a metropolitan newspaper, is located in a major city in the Southeastern United States. The offices and plant are located in a downtown industrial district about one-fourth mile off a major interstate. This newspaper, employing about 350 people, is one of a number of newspapers owned by a large publishing corporation located in the Southeast. In business for more than 150 years, the newspaper boasts the second largest circulation in the state in which it is located.

Data Collection Data collection included the use of interviews, observations, and document analysis. This study used some standardized questions to obtain specific information about the

organizations under study, but the semistructured interview dominated. Thirty interviews were conducted with 21 individuals in three companies, and 26 of these interviews were tape-recorded and transcribed. Observations were made at plant sites, office facilities, training sessions, and strategic planning sessions. Field notes were taken at each of these observations and were organized into typed narrative accounts shortly after each observation. For the purposes of this investigation, the term documents is meant to include any data gathered through sources other than interviews or observations. Documents reviewed included organization charts, newspaper articles, training materials, interoffice memoranda, an annual report, company promotional materials, magazine articles, strategic planning documents, and quality systems manuals.

Data Analysis Since a comparative case study first involves a within-case analysis of each case and is then followed by a cross-case analysis, the first step in analysis is a description of each case. The second step involves the analysis and comparison of several cases (i.e., cross-case analysis), a process Patton (1990) referred to as synthesizing qualitative studies. Merriam (1988) stated that "analyzing data in a qualitative multicase study is identical to analyzing data in a single qualitative case study" (p. 155); the only difference is that the researcher has more data to manage and analyze. In this study, an inductive analysis was used for the within-case and cross-case analysis. Inductive analysis moves from mere description of the cases to interpretation, a process that uses the data to develop conceptual categories or themes.

Conclusions

Two general conclusions or "working hypotheses" drawn from this study are as follows: (1) A delineation of the nature of the integration of HRD into a company's strategic planning process revealed four roles, hereby identified as the nonparticipant, the resource, the stakeholder, and the leader. These roles can be represented on a continuum reaching from low integration to high integration, and they are embodied by a number of HRD activities contributing to the strategic planning process; (2) The integration of HRD into a company's strategic planning process is influenced by a number of factors including external business conditions, internal top management support, internal HRD person-specific factors, and internal organizational factors.

Continuum of Roles The cross-case analysis of these three companies revealed four roles that can be represented on a continuum with low to high levels of integration into a company's strategic planning process. Figure 1 illustrates this continuum.

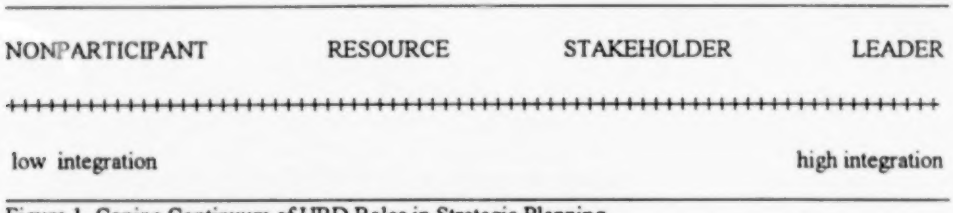

Figure 1. Conine Continuum of HRD Roles in Strategic Planning.

At any given time HRD may occupy any of these roles. For example, in Company C the production director's reference to the HR director's division as a support division for the strategic planning process and the HR director's activities in helping other divisions prepare developmental plans for key employees support a resource role for HRD. On the other hand, when the HR director initiated a major strategic cultural change initiative for the company and then later *championed* that initiative throughout the company during the year, he was representing the leader role. Yet, almost all of the other descriptions of his role in the strategic planning process and his activities in the strategic planning process placed him in a stakeholder role. He attended planning sessions, wrote parts of the plan, and was a proactive voice throughout the process. Thus, the predominant role for HRD in Company C was the stakeholder role as was the case with HRD in Company B. While the HRD person in Company A may

have taken a leader role in a Total Quality Management (TQM) initiative, the data generally supported a resource role.

Such a model is not unlike Tannenbaum and Schmidt's (1973) continuum of leadership behavior with a range that extends from a very autocratic leadership style to a very participative leadership style. While a particular manager may exhibit any range of leadership behaviors given various contingencies, he or she probably has a predominant style. The idea of a continuum of roles related to the integration of HRD into the strategic planning process was not found in the literature. The closest concept to be found in the human resource management (HRM) literature was in a study by Golden and Ramanujam (1988), proposing a typology of stages of HRM-strategic business planning linkages including the administrative linkage, the one-way linkage, the two-way linkage, and the integrative linkage.

As for each individual role, there are traces of support in the literature for the descriptions of these roles although not the actual roles themselves. For example, the resource role placed HRD in a fairly reactive role in response to the strategic initiatives set by line management. This role was illustrated by a senior manager at Company A when he said that he and his managers make the decision as to where they ought to be going, "and then we look to a human resources group to help us with the nuts and bolts for accomplishing that." Benoliel's (1988) survey interview of 10 organizations led him to conclude that HRD managers tend to be excluded from participating in strategic planning or at best, HRD managers tend to be reactive support persons as opposed to being proactive participants. As for the stakeholder role, authors have proposed and predicted a more proactive, integrated role for HRD (e.g., Chalofsky & Reinhart, 1988; Rothwell & Kazanas, 1989). The stakeholder role is integrated into the strategic planning process by being proactive in the planning process, assisting in making decisions outside of their area, and actually writing part of the plan. Garavan (1995) wrote that "within the context of strategic HRD, a stakeholder is anyone whose actions can affect the management of strategic activities within the organization" (p. 11). The vice president and executive editor at Company C exemplified the stakeholder role when he stated the following in reference to the HRD manager: "You know, this is one of seven or eight people that are here today who are the key players in determining the strategy for the paper."

As for the leader role of HRD in strategic planning, very little is found in the literature although some writers have suggested a stronger leadership role for HRD (e.g., Chalofsky & Reinhart, 1988; Nadler & Nadler, 1990; Torraco & Swanson, 1995; Willis, 1991). The leader role described in this case study places HRD in the position of initiating major strategic initiatives and then championing those initiatives throughout the organization. Further, the leader role, like the stakeholder role, puts HRD in a very proactive planning mode in the organization. Willis and May's (1996) case study of Millbrook Distribution Services offered a definitive leader role for HRD in the form of a chief learning officer (CLO). They described the CLO as being at the same organizational level as a chief financial officer (CFO) or a chief operating office (COO). While no CLO was found among the three cases in this study, the HR director representing HRM and HRD activities at the newspaper leads a key strategic intervention for a culture transformation. In Willis and May's (1996) report, a key function for May in the CLO position for the first two years was leading a strategic intervention for a cultural transformation at Millbrook. Thus, the continuum of roles related to the integration of HRD into strategic planning as presented here is a new concept although characteristics of the roles are found in the HRD literature.

Factors Influencing the Integration of HRD and Strategic Planning The second general conclusion of this study is that the integration of HRD into a company's strategic planning process is influenced by a number of factors including external business conditions, internal top management support, internal HRD person-specific factors (credibility, communication, leadership style), and internal organizational factors (culture, costs/time, organizational planning structure, rate of growth). Table 1 illustrates the three major roles for HRD in the strategic planning process and summarizes the factors (external and internal) and activities that support these roles.

Table 1

Determining the Role of HRD in strategic planning

Factors	Resource	Stakeholder	Leader
External: Business Conditions	-HRD has reduced influence when economic or competitive conditions are unfavorable	-HRD has considerable influence even when economic or competitive conditions are unfavorable	-HRD has considerable influence even when economic or competitive conditions are unfavorable
Internal: Top Manage-ment Support	-HRD may not have strong top management support at all times; top management may be going through a transitional period	-HRD has strong top management commitment and top management communicates that commitment throughout the organization	-HRD has strong top management commitment and top management communicates that commitment throughout the organization -HRD may be top management (e.g., CLO)
Internal: HRD-Person Specific	-HRD may lack credibility with line management due to lack of business knowledge and (or) professional skills -HRD may not communicate effectively with line management -HRD tends to exhibit a laissez faire leadership style	-HRD has credibility with line management because of considerable business knowledge and (or) professional training -HRD communicates effectively with line management -HRD exhibits a proactive leadership style	-HRD has credibility with line management because of considerable business knowledge *and* professional training -HRD communicates effectively with line management -HRD exhibits a proactive leadership style

Table 1 (continued)

Factors	Resource	Stakeholder	Leader
Internal: Organizational	-HRD may not be supported by a culture that is committed to the HRD function; firm may be going through a culture change	-HRD is supported by a culture that is committed to the HRD function	-HRD is supported by a culture that is committed to the HRD function; HRD may be a key player in nurturing that culture
	-The organization may be unwilling or unable to commit the time and money needed for HRD consistently over time	-The organization recognizes that the costs and time associated with HRD activities are necessary to sustain the organization over time	-The organization recognizes that the costs and time associated with HRD activities are necessary to sustain the organization over time
	-The organizational planning structure may not be suited to integrating HRD into the process or HRD may not be included in the process	-The organizational planning structure is well-suited to integrating HRD into the process	-The organizational planning structure is well-suited to integrating HRD into the process
	-The organization may not have sustained the constant growth it felt necessary to support HRD consistently over time	-The organization has sustained the growth it deems necessary to support HRD consistently over time	-The organization has sustained the growth it deems necessary to support HRD consistently over time
HRD Activities	-Typical activities include assessment of training and development needs, planning for implementation, and post- implementation assessment	-Activities include attending the planning sessions, challenging the process, and providing input into decisions outside of HRD	-Activities include attending planning sessions and championing major strategic initiatives; provides input into decisions outside of HRD

Implications A major element distinguishing this study from previous studies is its focus on the integration of HRD, as defined from a systems perspective. For instance, Benoliel's (1988) interview survey of 10 companies examined HRD mangers' participation in strategic planning and found some similar factors influencing *participation*. However, the continuum in Figure 1 indicates that this study shows HRD *participating* in the strategic planning process in all but one of the four roles identified. However, the level of integration into the strategic planning process varies considerably with each participating role, and the factors identified in this study (i.e., external and internal) influence the ensuing level of integration.

Willis and May (1996) illustrated the point concerning the leader role being fully integrated when they used Marsick and Watkin's (1994) term *systemic interdependence* to describe May's position as CLO at Millbrook and his working relationship with the other strategic parts of the organization. Similarly, the leader role represented on the continuum in Figure 1 might be described as being *systemically integrated* into the strategic planning process. Several authors (e.g., Hartshorn, 1989; Jacobs, 1989; McLagan, 1989; Watkins, 1989) have argued that systems theory provides the best theoretical framework for the HRD profession. The systems view of an organization maintains that organizations are complex systems comprised of many interrelated and interdependent parts. Pasmore (1988) described several features of sociotechnically designed organizations, including the maximization of cooperative effort through common goal setting, the involvement of employees in important decisions and the sharing of information, the importance of human resource development, and the assumption that people in the organization have the capacity to improve plans. The stakeholder role described in this study embodies all of these features and was exemplified well by the strategic planning session at the insurance company.

Thus, from a systems perspective, the stakeholder role is a strong role. However, there is considerable support from systems literature to move HRD from the stakeholder to leader role. Hall and Fagen (as cited in Willis, 1991) used the term *leading part* to describe the dominant role one element plays in the operation of a centralized system. Willis stated that "leading parts evolve as a system develops, depending on the system's perceived regulatory needs" (p. 181). If modern firms are to become the learning organizations many have predicted (e.g., Senge, 1990), HRD should become a leading part.

While this study has extended theory in HRD, systems management, and strategic planning, it has also made contributions to HRD practice. The continuum of roles that resulted from the findings in this study provides a good starting point for examining a company's commitment to integrating HRD into its strategic planning process. CEOs and HRD managers can honestly examine their own organization and ask themselves where they lie on the continuum.

Future Research More studies are needed to test the "working hypotheses" that emerged from this study. Some type of survey research would be a step in this direction. An ethnographic study might be undertaken to examine the belief systems that guide the integration or lack of integration of HRD into the strategic planning process. Another focus for a study would be to pull a specific factor identified in this study as influencing HRD's integration and examine the relationship between this factor and HRD's role in the strategic planning process. Another study might focus on companies that are in different stages of the life cycle (e.g., introduction, growth, maturity, decline) and HRD's role in strategic planning. Finally, an interesting observation in this study was that in the companies with a stakeholder role for HRD, there was more diversity in the top leadership. Determining if diversity in top management influences the integration of HRD into the strategic planning process would be an interesting study. If successful companies in the future are truly going to become the learning organizations they need to be, the role of HRD in strategic planning is unquestionably an area worthy of further attention and study.

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